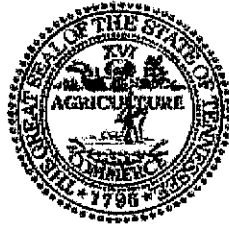


CONTRACT #4
RFS # 349.03-800-08

Department of Safety
Tennessee Highway Patrol

VENDOR:
Intelligent Document
Management Solutions, Inc.



RECEIVED
MAR 09 2007
FISCAL REVIEW

TENNESSEE DEPARTMENT OF SAFETY
1150 Foster Avenue
Nashville, Tennessee 37249-1000

PHIL BREDESEN
GOVERNOR

DAVE MITCHELL
COMMISSIONER

Memorandum

To: The Honorable Charles Curtiss, Chairman,
Fiscal Review Committee

From: Dave Mitchell, Commissioner

Date: March 9, 2007

Subject: Non-Competitive Contract

The Department of Safety is requesting to contract with Intelligent Document Management Solutions, Inc. for the deployment of software to enable the electronic submission of crash reports by law enforcement agencies across the state. Attached is the Request: Non-Competitive Contract, the OIR endorsement and the pro-forma contract. The proposed contract is for \$1,845,556 over a three-year period of time and is funded by a Highway Safety grant.

We look forward to meeting with the Fiscal Review Committee to discuss this proposed contract.

C: Mr. Robert Barlow

DM/bh

REQUEST: NON-COMPETITIVE CONTRACT

APPROVED

Commissioner of Finance & Administration

Date:

Each of the request items below indicates specific information that must be individually detailed or addressed as required. A request can not be considered if information provided is incomplete, non-responsive, or does not clearly address each of the requirements individually as required.

1) RFS #	349.03-800-08	
2) State Agency Name :	Department of Safety	
3) Service Caption :	CRASH System Implementation & Maintenance	
4) Proposed Contractor :	Intelligent Document Management Solutions, Inc.	
5) Contract Start Date : (attached explanation required if date is < 60 days after F&A receipt)	7/1/07	
6) Contract End Date IF <u>all</u> Options to Extend the Contract are Exercised :	6/30/10	
7) Total Maximum Cost IF <u>all</u> Options to Extend the Contract are Exercised :	\$1,845,556	
8) Approval Criteria : (select one)	<input type="checkbox"/> use of Non-Competitive Negotiation is in the best interest of the state <input checked="" type="checkbox"/> only one uniquely qualified service provider able to provide the service	
9) Description of Service to be Acquired :		
<p>The state of Kentucky is providing a federally funded software package to the state of Tennessee. However, Kentucky used a software integrator, who the Dept of Safety feels is required to fully deploy the software. The Dept. of Safety would like to engage this integrator as soon as possible since Kentucky is providing the software very soon. IDMS will provide the technical expertise needed to fully deploy the software that enables the electronic submission of CRASH reports by all reporting agencies. They will also provide a web portal that contains reporting and statistical information badly needed by each participating police jurisdiction.</p>		
10) Explanation of the Need for or Requirement Placed on the Procuring Agency to Acquire the Service :		
<p>IDMS has gained a great deal of experience and expertise while deploying this software in Kentucky, Indiana and Washington. The Dept of Safety feels that their knowledge is required to make this project successful.</p>		
11) Explanation of Whether the Procuring Agency Bought the Service in the Past, & if so, What Procurement Method It Used :		
<p>Dept of Safety has not purchased this service in the past.</p>		
12) Name & Address of the Proposed Contractor's Principal Owner(s) : (<u>not</u> required if proposed contractor is a state education institution)		
<p>IDMS, Inc., 1902 Campus Place, Suite 10-A, Louisville, KY 40299</p>		

13) Evidence of the Proposed Contractor's Experience and Length of Experience Providing the Service :

In November of 1998, Intelligent Document Management Solutions, Inc. (IDMS) was awarded a contract to develop for the Commonwealth of Kentucky the first centralized and fully statewide collision reporting solution in the country. The fundamental requirement of the system was to allow the Kentucky State Police Records Division personnel to maintain a day current processing environment for all receipts of paper collision reports, supplements, and supporting documentation.

The system called CRASH (Collision Reporting and Analysis for Safer Highways) was placed into production on-time and on-budget on January 3, 2000 and satisfied the day current processing requirement while utilizing less than 50% of the staffing requirements of the previous collision report collection process.

IDMS successfully integrated a number of best of breed software components for this solution including FileNet, Oracle, Captiva, and Business Objects.

IDMS received Captiva Software's Technology Leader of the year award for the first time integration of the Captiva Formware and FileNet Panagon software. The solution received the National Best Practice Award for State Collection of Crash Data, at the 26th Annual International Traffic Records Forum in 2000, and the National Highway Safety Award for 2001 from the U.S. Department of Transportation, the Federal Highway Administration, and the Roadway Safety Foundation. CRASH was also a nominee for the 2002 Innovations in American Government Award given by Harvard University's John F. Kennedy School of Government

In June of 2000, IDMS was awarded a contract to develop a paperless mobile electronic collision reporting tool for the Commonwealth of Kentucky. IDMS successfully delivered on-time and on-budget the first wizard based collision report collection tool called e-CRASH for the Commonwealth. This tool eliminated the cumbersome and complex collision reporting form and replaced it with a logical and easy to follow interview process which allowed the officers in the field to accurately and consistently complete a collision report in 75% less time.

Using the CRASH architecture and foundation of software, hardware, and processing innovation, has IDMS implemented on-time and on-budget for the Commonwealth of Kentucky a number of additional public safety components including Citations, Firearm Permits, Uniform Offense Reports, NIBRS Reports, Intelligence Reports, Master Name, Master Location, Geocoding, Web Query, Web Reporting, and numerous additional supporting functionality.

The Kentucky solution now called KyOPS (Kentucky's Open Portal Solution), received the 2004 National Safety Council's Association of Transportation Safety Information Professionals Best Practices Award for exemplary state and federal projects that improve the timeliness, accuracy or accessibility of public safety data.

IDMS is currently the sole source contract provider of support, enhancements, and additions of new functionality to the KyOPS solution for the Commonwealth of Kentucky.

In May of 2002, IDMS was awarded a contract by the State of Indiana to develop VCRS (Vehicle Crash Records System), a centralized statewide collision reporting solution.

The VCRS solution was placed in to production on January 2, 2003 on-time and on-budget. The solution, based on the same architecture, best of breed software, and processing innovations as the Kentucky KyOPS solution, allowed the Indiana State Police Records Branch to maintain a day-current processing environment for all collision reports submitted from law enforcement agencies across Indiana.

IDMS has successfully developed on-time and on-budget a number of additional components on top of the initial VCRS solution (now called ARIES – Automated Report and Information Exchange System) including a wizard based field data collection component for capturing public safety information, a web portal for querying, analyzing, mapping, and reporting on public safety information, e-commerce functionality, and numerous additional supporting functionality.

In June of 2005, IDMS was awarded a contract by the State of Washington to develop SECTOR (Statewide Electronic Collision and Ticket Online Records), a statewide electronic field data collection tool for collision reports and tickets. IDMS developed and delivered to Washington in December of 2006, on-time and on-budget, a wizard based collection tool, supporting web services, and web portal for query and analysis of submitted information.

In contrast to the experiences, success, and strong references of IDMS, in September of 2003, the State of Texas awarded IBM a \$10 million dollar contract to develop and implement CRIS (Crash Records Information System), a statewide repository for all paper and electronic submitted collision reports. IBM's contract was subsequently terminated prior to implementation of a production solution on August 15, 2005 for failure to deliver an acceptable work plan to DPS after receiving a "Notice to Cure" request from the Texas Department of Public Safety. Expenditures at the time of IBM's contract termination were \$10,754,502 with a projected cost to complete the project estimated at \$14,365,258. (See attached document page 2 and page 16)

Implementing a statewide public safety system successfully on-time and on-budget requires experience, dedication, and unique knowledge and experience designing and implementing solutions utilizing specialized software, hardware, and processing techniques coupled with extensive knowledge of the data capture demands of the public safety sector.

14) Documentation of Office for Information Resources Endorsement :
(required only if the subject service involves information technology)

select one:

☐

Documentation Not Applicable to this Request

☒

Documentation Attached to this Request

15) Documentation of Department of Personnel Endorsement :
(required only if the subject service involves training for state employees)

select one:

☒

Documentation Not Applicable to this Request

☐

Documentation Attached to this Request

16) Documentation of State Architect Endorsement :
(required only if the subject service involves construction or real property related services)

select one:

☒

Documentation Not Applicable to this Request

☐

Documentation Attached to this Request

17) Description of Procuring Agency Efforts to Identify Reasonable, Competitive, Procurement Alternatives :

Other solutions were research, investigated and considered but due to many reasons, the KyOps solution is the logical and most cost effective solution for Tennessee. The integrator used by the state of Kentucky to deploy their solution is IDMS, Inc. The successful implementation of the system in Tennessee is dependent on their participation. Some of the reasons that make the KyOps system unique are: (1) Due to the uniquely specialized functionality needed by the Dept of Safety, this system is the only one that met all the business and system requirements (2) It is the objective of the Federal Highway Administration's objective to unify the data structures of all states. This unification can be realized using the KyoPs system. (3) The source code was made available to Tennessee at no cost, an estimated \$4 million dollar savings. The only cost to Tennessee is the cost related to the professional services of the integrator and the system hardware and software licensing costs.

Also, this solution offers an opportunity to quickly implement a proven system with proven functionality. It also provides functionality that conforms to federal expectations. This system offers the opportunity for Tennessee to partner with a neighboring state that possesses the capability of expanding functionality, i.e. citation automation, handgun permit tracking and much more, at a reduced cost to Tennessee. Since Kentucky has already developed the source code and has agreed to provide it to Tennessee at no cost, Tennessee can benefit from this partnership well into the future as our infrastructure and system capabilities become available. This partnership is believed to be an opportunity to form an alliance for the Transportation and Enforcement communities that will be an example to other states as they search for solutions to the crash data and intelligence system issues.

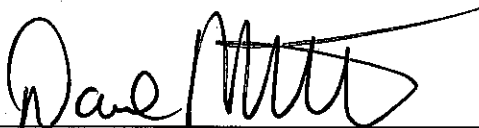
18) Justification of Why the State Should Use Non-Competitive Negotiation Rather Than a Competitive Process :

(Being the "only known" or "best" service provider to perform the service as desired will not be deemed adequate justification.)

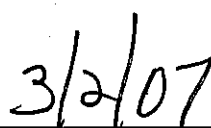
The Kentucky system called "KyOps" has been evaluated by two separate evaluation teams composed of members from Safety, TDOT and OIR. It has been determined that this system will meet the current business and technical requirements for the Dept. of Safety. The service provider IDMS, Inc. has worked closely with Kentucky to customize and deploy the federally funded project. They also have created their own code that is tightly coupled with the federally funded code. It would be very difficult if not impossible to deploy this software without their assistance.

REQUESTING AGENCY HEAD SIGNATURE & DATE :

(must be signed & dated by the ACTUAL procuring agency head as detailed on the Signature Certification on file with OCR— signature by an authorized signatory will be accepted only in documented exigent circumstances)



Agency Head Signature



Date

083006



FAX TRANSMITTAL

to Request OIR Procurement Endorsement

TO : Jane Chittenden, Director
OIR Procurement & Contract Management FAX # 741-6164

FROM : Bill Hedge, Fiscal Director *Bill Hedge* FAX # 253-2652

DATE : March 2, 2007

RFS # 349.03-800-08

RE : Procurement Endorsement — CRASH System Implementation

NUMBER OF FAX PAGES (including cover) : 1

The nature and scope of service detailed in the attached service procurement document(s) appears to require Office for Information Resources (OIR) review and support, because the procurement involves information technology or information systems services.

This communication seeks to ensure that OIR is aware of the procurement and has an opportunity to review the matter. Please determine whether OIR is supportive of the procurement. If you have any questions or concerns about this matter, please call Greg Triplett at 251-5243.

Please indicate below your response to this proposed procurement, and return this communication at your earliest convenience (note the return FAX number above).

Thank you for your help.

Attachment — Request: Non-Competitive Contract and Pro-Forma Contract is being sent via email.

OIR Endorsement :

W. D. Hall
OIR Chief Information Officer

3-8-2007
Date

CONTRACT SUMMARY SHEET

060706

RFS #	Contract #
349.03-800-08	— — —
State Agency	State Agency Division
Department of Safety	Tennessee Highway Patrol
Contractor Name	Contractor ID # (FEIN or SSN)
Intelligent Document Management Solutions, Inc.	<input type="checkbox"/> C- or <input checked="" type="checkbox"/> V- 61-1247989

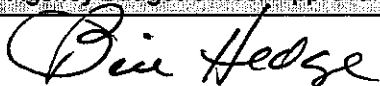
Service Description

CRASH System Implementation – deployment of software to enable the electronic submission of crash reports by all agencies

Contract Begin Date	Contract End Date	SUBRECIPIENT or VENDOR?	CFDA #
7-1-07	6-30-10	VENDOR	20.607/20.609/20.611

Mark Each TRUE Statement

<input type="checkbox"/> Contractor is on STARS			<input type="checkbox"/> Contractor's Form W-9 is on file in Accounts		
Allotment Code	Cost Center	Object Code	Fund	Funding Grant Code	Funding Subgrant Code
349.03	IRISS	082	11	715	
FY	State	Federal	Interdepartmental	Other	TOTAL Contract Amount
2008			\$800,000		\$800,000
2009			\$750,000		\$750,000
2010			\$295,556		\$295,556
TOTAL:			\$1,845,556		\$1,845,556

— COMPLETE FOR AMENDMENTS ONLY —			State Agency Fiscal Contact & Telephone #
FY	Base Contract & Prior Amendments	THIS Amendment ONLY	Bill Hedge, (615) 251-5130
			State Agency Budget Officer Approval
			
			Funding Certification (certification, required by T.C.A., § 9-4-5113, that there is a balance in the appropriation from which the obligated expenditure is required to be paid that is not otherwise encumbered to pay obligations previously incurred)
TOTAL:			
End Date:			

Contractor Ownership (complete only for base contracts with contract# prefix: FA or GR)

<input type="checkbox"/> African American	<input type="checkbox"/> Person w/ Disability	<input type="checkbox"/> Hispanic	<input type="checkbox"/> Small Business	<input checked="" type="checkbox"/> NOT minority/disadvantaged
<input type="checkbox"/> Asian	<input type="checkbox"/> Female	<input type="checkbox"/> Native American	<input type="checkbox"/> OTHER minority/disadvantaged—	

Contractor Selection Method (complete for ALL base contracts; N/A to amendments or delegated authorities)

<input type="checkbox"/> RFP	<input type="checkbox"/> Competitive Negotiation	<input type="checkbox"/> Alternative Competitive Method
<input checked="" type="checkbox"/> Non-Competitive Negotiation	<input type="checkbox"/> Negotiation w/ Government (e.g., ID, GG, GU)	<input type="checkbox"/> Other

Procurement Process Summary (complete for selection by Alternative Method, Competitive Negotiation, Non-Competitive Negotiation, OR Other)

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**CONTRACT
BETWEEN THE STATE OF TENNESSEE,
DEPARTMENT OF SAFETY
AND
INTELLIGENT DOCUMENT MANAGEMENT SOLUTIONS, INC.**

This Contract, by and between the State of Tennessee, Department of Safety, hereinafter referred to as the "State" and **INTELLIGENT DOCUMENT MANAGEMENT SOLUTIONS, INC.**, hereinafter referred to as the "Contractor," is for the provision of professional services to configure off-the-shelf database, document management, and data capture software with additional development services to customize software to allow the State of Tennessee to process paper and electronic collision reports, access, analyze, and share the captured data, as further defined in the "SCOPE OF SERVICES."

The Contractor is A FOR-PROFIT CORPORATION.

Contractor Vendor Identification Number: 61-1247989

Contractor Address: 1309 US HWY 127S

Suite B

Frankfort, KY 40601-4385

Contractor Place of Incorporation or Organization: KENTUCKY

A. SCOPE OF SERVICES:

- A.1. The Contractor shall provide all service and deliverables as required, described, and detailed by this Scope of Services and shall meet all service and delivery timelines specified in the Scope of Services section or elsewhere in this Contract.
- A.2. The Contractor will deliver project management, design, development, implementation, and support services only as a component of the completed solution. All hardware, software, networking, supplies, and other necessary components of the completed solution are the responsibility of the State. The contractor will develop and implement the solution in four (4) phases plus an optional 5th phase. The four (4) phases will be scheduled for development and implementation in a sequential order, Phase I will be the first implementation, Phase II will be the second implementation, and Phase III will be third implementation, and Phase IV will be the final implementation of the overall project deliverables. The option of a fifth phase will be reviewed at the successful completion of the fourth phase. If funding exists and the contractor and state agree to proceed, the fifth phase will include the final deliverables of this contract.

Phase I will consist of the base line feature and functionality to support the centralized processing of paper submitted collision reports including:

- Allow for the scanning of the approved collision report form and any and all paper documents of physical scan quality of the size not to exceed 11x14 inches. The system will be setup to accept Collision Reports, Supplemental Documents, and Supporting Documents. All documents with the exception of the Collision Report and the Supplemental Document will be manually keyed (No OCR or zoned data entry).
- Provide data/information acquisition from the color coded traffic collision reports. This feature will employ both Mark Sense and high speed Data Entry and Correction technology with a supplemental data entry capability. Mark Sense will be a primary mechanism for data/information acquisition. A manual process will be developed to facilitate Data Entry /Correction of non Mark Sense data/information on the documents.
- Retrieve scanned and indexed images for viewing. This capability will allow the user to retrieve documents based on a user enterable parameter set. This parameter set will be limited to the indices identified for scanned and indexed documents.

- Implement Data Base Management System (DBMS) requirements for data/information editing, storage, retrieval, reporting/queries, as well as disaster backup and recovery. Editing requirements will apply to all traffic collision information regardless of source; Mark Sense or Data Entered. Editing will employ both defined business rules and field validation against information obtained from user maintainable system tables.
- Security will be administered uniquely for the Database and the custom application. Direct Database access, adhoc queries, updates, deletes etc. will be administered using the tools provided by the DB software. Security controls and administration will be built into the custom application around User Names and Roles to allow the application administrator to restrict access to available feature/functionality.
- Provide Transaction Audit functionality consisting of records for each add, update, delete action performed on a collision report within the application (this audit information will not include view only request history). Audit record will include the user account, date, time, and action.

Phase II will consist of the development and implementation of a web portal for access to and analysis of the collision report data and supporting images including:

- Provide a mechanism to query for collision related documents for display and printing by remote agencies
- Provide a mechanism to query for collision related data for display, exporting, and printing by remote agencies
- Provide a mechanism to request, schedule, and generate formatted reports to be stored and accessed by remote agencies
- Provide a mechanism to request, schedule, and generate data extracts of collision information by remote agencies
- Provide mapping functionality for graphical display of collision locations on a map with color coding for various collision types (fatality, injury, property damage) displayed
- Provide access to collision data and images through selection of a collision location from a graphical map

Phase III will consist of the development of a customized statewide mobile electronic collision software application that will be used to capture and submit collision report information including:

- Enable law enforcement officers to enter collision reports locally and transmit the data electronically to the central repository
- Data collection will be wizard based and will be developed to logically capture and validate the appropriate information from the approved collision report form
- Spell check incorporated for checking information contained in the officer narrative section
- Incorporation of a third party diagramming package into the application
- 2D barcode scanning support for capture of drivers license and vehicle registration information
- Provide an electronic audit mechanism to record all activity during the collision reporting process
- Creation and storage of an image of the submitted electronic collision report

Phase IV will consist of additional mobile electronic data capture components including:

- Enable law enforcement officers to enter and print tickets locally and transmit data electronically to the central repository
- Enable law enforcement officers to enter and print NIBRS reports locally and transmit the data electronically to the central repository
- Enable law enforcement officers to enter and print Intelligence reports locally and transmit the data electronically to the central repository
- Enable law enforcement officer to enter and print Courtesy Notices locally and transmit the data electronically to the central repository
- For the above listed reports creation and storage of an image of the electronically submitted data
- For the above listed reports, allow query and reporting access to the data through the web portal implemented in Phase II of the project

Assumptions and Dependencies

Contractors services are predicated on the following assumptions/dependencies and information. Any impact resulting from deviations to these assumptions will be assessed using an agreed upon Change Control Procedure.

- 1) The contractors tasks will, in part, be performed at the States facilities in Tennessee.
- 2) Offsite tasks will be performed at the contractors' facilities in Kentucky.
- 3) Contractor will provide services under this contract during normal business hours, 8:00 AM to 5:00 PM Monday through Friday, except holidays.
- 4) Contractor may also require on-site computer access outside normal business hours as agreed to by the State.
- 5) Contractor will establish work units and priority schedules based upon approved project plans and delivery milestones.
- 6) Contractor will be provided access to/copies of any supporting analysis documentation developed by the State to be used as a reference for additional analysis needed for development of the necessary detail design documents.
- 7) State will designate one Project Manager who will serve as the focal point for all contract matters and to whom all communications will be directed.
- 8) Qualified State personnel will be available as needed during the planning, design, and implementation of the project. State personnel who are assigned to the project will have the necessary expertise and, if needed, technical skills to complete the tasks and responsibilities of the State.
- 9) State resources will be responsible for user acceptance testing including development of test scripts with assistance from contractor.
- 10) State will be responsible for acquisition, configuration, setup, and support of all hardware, third party software, and LAN/WAN related infrastructure.
- 11) State shall be responsible for obtaining software license agreements for all non-contractor developed custom source code.
- 12) State shall provide appropriate buildings facilities, data center and access to information systems resources to support the development, installation, testing, and support of the custom solution.
- 13) Should delivery schedule slip for non-contractor products and/or services which are beyond the control of the contractor, if agreed the State will permit contractor to either adjust the

project schedule by the delivery delay time or substitute functionally and/or comparable components in order to reduce or eliminate project delays.

- 14) Once approved by the state, the delivered detail design document and project schedule will supersede any and all preliminary provided and/or developed documents identifying system requirements and deliverables.

B. CONTRACT TERM:

- B.1. This Contract shall be effective for the period commencing on 7/1/2007 and ending on 6/30/2010. The State shall have no obligation for services rendered by the Contractor which are not performed within the specified period.
- B.2. Term Extension. The State reserves the right to extend this Contract for an additional period or periods of time representing increments of no more than one year and a total Contract term of no more than five (5) years, provided that such an extension of the Contract term is effected prior to the current, contract expiration date by means of an amendment to the Contract. If the extension of the Contract necessitates additional funding beyond that which was included in the original Contract, the increase in the State's maximum liability will also be effected through an amendment to the Contract, and shall be based upon rates provided for in the original Contract.

C. PAYMENT TERMS AND CONDITIONS:

- C.1. Maximum Liability. In no event shall the maximum liability of the State under this Contract exceed one million eight hundred forty-five thousand five hundred and fifty-six dollars (\$1,845,556). The Service Rates in Section C.3 shall constitute the entire compensation due the Contractor for the Service and all of the Contractor's obligations hereunder regardless of the difficulty, materials or equipment required. The Service Rates include, but are not limited to, all applicable taxes, fees, overheads, and all other direct and indirect costs incurred or to be incurred by the Contractor.

The Contractor is not entitled to be paid the maximum liability for any period under the Contract or any extensions of the Contract for work not requested by the State. The maximum liability represents available funds for payment to the Contractor and does not guarantee payment of any such funds to the Contractor under this Contract unless the State requests work and the Contractor performs said work. In which case, the Contractor shall be paid in accordance with the Service Rates detailed in Section C.3. The State is under no obligation to request work from the Contractor in any specific dollar amounts or to request any work at all from the Contractor during any period of this Contract.

- C.2. Compensation Firm. The Service Rates and the Maximum Liability of the State under this Contract are firm for the duration of the Contract and are not subject to escalation for any reason unless amended.
- C.3. Payment Methodology. The Contractor shall be compensated based on the Service Rates herein for units of service authorized by the State in a total amount not to exceed the Contract Maximum Liability established in Section C.1. The Contractor's compensation shall be contingent upon the satisfactory completion of units of service or project milestones defined in Section A. The Contractor shall be compensated based upon the following Service Rates:

Service	Amount
Electronic Collision / Web Portal	
1) Technical Design Document	\$68,016.80
2) Functional Pilot	\$68,016.80
3) Complete Construction Demonstration	\$68,016.80
4) Implementation	\$68,016.80
5) Completion of Support or Warranty	\$68,016.80
Maintenance Year 1	\$47,000
Maintenance Year 2-3	\$94,000
Total	\$481,084
Paper Collision	
1) Technical Design Document	\$96,160
2) Functional Pilot	\$96,160
3) Complete Construction Demonstration	\$96,160
4) Implementation	\$96,160
5) Completion of Support or Warranty	\$96,160
Maintenance Year 1	\$69,224
Maintenance Year 2-3	\$138,448
Total	\$688,472
Electronic Citation	
1) Technical Design Document	\$42,000
2) Functional Pilot	\$42,000
3) Complete Construction Demonstration	\$42,000
4) Implementation	\$42,000
5) Completion of Support or Warranty	\$42,000

Maintenance Year 1	\$35,000
Maintenance Year 2-3	\$70,000
Total	\$315,000
Electronic NIBRS	
1) Technical Design Document	\$44,000
2) Functional Pilot	\$44,000
3) Complete Construction Demonstration	\$44,000
4) Implementation	\$44,000
5) Completion of Support or Warranty	\$44,000
Maintenance Year 1	\$30,000
Maintenance Year 2-3	\$60,000
Total	\$310,000
Electronic Intelligence	
1) Technical Design Document	\$4,000
2) Functional Pilot	\$4,000
3) Complete Construction Demonstration	\$4,000
4) Implementation	\$4,000
5) Completion of Support or Warranty	\$4,000
Maintenance Year 1	5,000
Maintenance Year 2-3	\$10,000
Total	\$35,000
Electronic Courtesy	
1) Technical Design Document	\$2,000
2) Functional Pilot	\$2,000

3) Complete Construction Demonstration	\$2,000
4) Implementation	\$2,000
5) Completion of Support or Warranty	\$2,000
Maintenance Year 1	\$2,000
Maintenance Year 2-3	\$4,000
Total	\$16,000

The Contractor shall submit monthly invoices, in form and substance acceptable to the State with all of the necessary supporting documentation, prior to any payment. Such invoices shall be submitted for completed units of service or project milestones for the amount stipulated.

- C.4. Travel Compensation. The Contractor shall not be compensated or reimbursed for travel, meals, or lodging.
- C.5. Payment of Invoice. The payment of the invoice by the State shall not prejudice the State's right to object to or question any invoice or matter in relation thereto. Such payment by the State shall neither be construed as acceptance of any part of the work or service provided nor as an approval of any of the amounts invoiced therein.
- C.6. Invoice Reductions. The Contractor's invoice shall be subject to reduction for amounts included in any invoice or payment theretofore made which are determined by the State, on the basis of audits conducted in accordance with the terms of this Contract, not to constitute proper remuneration for compensable services.
- C.7. Deductions. The State reserves the right to deduct from amounts which are or shall become due and payable to the Contractor under this or any Contract between the Contractor and the State of Tennessee any amounts which are or shall become due and payable to the State of Tennessee by the Contractor.
- C.8. Automatic Deposits. The Contractor shall complete and sign an "Authorization Agreement for Automatic Deposit (ACH Credits) Form." This form shall be provided to the Contractor by the State. Once this form has been completed and submitted to the State by the Contractor all payments to the Contractor, under this or any other Contract the Contractor has with the State of Tennessee shall be made by Automated Clearing House (ACH). The Contractor shall not invoice the State for services until the Contractor has completed this form and submitted it to the State.
- D. **STANDARD TERMS AND CONDITIONS:**
- D.1. Required Approvals. The State is not bound by this Contract or any amendment thereof until it is approved by the appropriate State officials in accordance with applicable Tennessee State laws and regulations.
- D.2. Modification and Amendment. This Contract may be modified only by a written amendment executed by all parties hereto and approved by the appropriate Tennessee State officials in accordance with applicable Tennessee State laws and regulations.
- D.3. Termination for Convenience. The State may terminate this Contract without cause for any reason. Said termination shall not be deemed a Breach of Contract by the State. The State shall give the Contractor at least thirty (30) days written notice before the effective termination date. The Contractor shall be entitled to receive compensation for satisfactory, authorized service completed as of the termination date, but in no event shall the State be liable to the Contractor for

compensation for any service which has not been rendered. Upon such termination, the Contractor shall have no right to any actual general, special, incidental, consequential, or any other damages whatsoever of any description or amount.

- D.4. Termination for Cause. If the Contractor fails to properly perform its obligations under this Contract in a timely or proper manner, or if the Contractor violates any terms of this Contract, the State shall have the right to immediately terminate the Contract and withhold payments in excess of fair compensation for completed services. Notwithstanding the above, the Contractor shall not be relieved of liability to the State for damages sustained by virtue of any breach of this Contract by the Contractor.
- D.5. Subcontracting. The Contractor shall not assign this Contract or enter into a subcontract for any of the services performed under this Contract without obtaining the prior written approval of the State. If such subcontracts are approved by the State, they shall contain, at a minimum, sections of this Contract below pertaining to "Conflicts of Interest," "Nondiscrimination," and "Records" (as identified by the section headings). Notwithstanding any use of approved subcontractors, the Contractor shall be the prime contractor and shall be responsible for all work performed.
- D.6. Conflicts of Interest. The Contractor warrants that no part of the total Contract Amount shall be paid directly or indirectly to an employee or official of the State of Tennessee as wages, compensation, or gifts in exchange for acting as an officer, agent, employee, subcontractor, or consultant to the Contractor in connection with any work contemplated or performed relative to this Contract.
- D.7. Nondiscrimination. The Contractor hereby agrees, warrants, and assures that no person shall be excluded from participation in, be denied benefits of, or be otherwise subjected to discrimination in the performance of this Contract or in the employment practices of the Contractor on the grounds of disability, age, race, color, religion, sex, national origin, or any other classification protected by Federal, Tennessee State constitutional, or statutory law. The Contractor shall, upon request, show proof of such nondiscrimination and shall post in conspicuous places, available to all employees and applicants, notices of nondiscrimination.
- D.8. Prohibition of Illegal Immigrants. The requirements of Public Acts of 2006, Chapter Number 878, of the state of Tennessee, addressing the use of illegal immigrants in the performance of any Contract to supply goods or services to the state of Tennessee, shall be a material provision of this Contract, a breach of which shall be grounds for monetary and other penalties, up to and including termination of this Contract.
- a. The Contractor hereby attests, certifies, warrants, and assures that the Contractor shall not knowingly utilize the services of an illegal immigrant in the performance of this Contract and shall not knowingly utilize the services of any subcontractor who will utilize the services of an illegal immigrant in the performance of this Contract. The Contractor shall reaffirm this attestation, in writing, by submitting to the State a completed and signed copy of the document as Attachment 1, hereto, semi-annually during the period of this Contract. Such attestations shall be maintained by the contractor and made available to state officials upon request.
- b. Prior to the use of any subcontractor in the performance of this Contract, and semi-annually thereafter, during the period of this Contract, the Contractor shall obtain and retain a current, written attestation that the subcontractor shall not knowingly utilize the services of an illegal immigrant to perform work relative to this Contract and shall not knowingly utilize the services of any subcontractor who will utilize the services of an illegal immigrant to perform work relative to this Contract. Attestations obtained from such subcontractors shall be maintained by the contractor and made available to state officials upon request.

- c. The Contractor shall maintain records for all personnel used in the performance of this Contract. Said records shall be subject to review and random inspection at any reasonable time upon reasonable notice by the State.
 - d. The Contractor understands and agrees that failure to comply with this section will be subject to the sanctions of Public Chapter 878 of 2006 for acts or omissions occurring after its effective date. This law requires the Commissioner of Finance and Administration to prohibit a contractor from contracting with, or submitting an offer, proposal, or bid to contract with the State of Tennessee to supply goods or services for a period of one year after a contractor is discovered to have knowingly used the services of illegal immigrants during the performance of this Contract.
 - e. For purposes of this Contract, "illegal immigrant" shall be defined as any person who is not either a United States citizen, a Lawful Permanent Resident, or a person whose physical presence in the United States is authorized or allowed by the federal Department of Homeland Security and who, under federal immigration laws and/or regulations, is authorized to be employed in the U.S. or is otherwise authorized to provide services under the Contract.
- D.9. Records. The Contractor shall maintain documentation for all charges under this Contract. The books, records, and documents of the Contractor, insofar as they relate to work performed or money received under this Contract, shall be maintained for a period of three (3) full years from the date of the final payment and shall be subject to audit at any reasonable time and upon reasonable notice by the State, the Comptroller of the Treasury, or their duly appointed representatives. The financial statements shall be prepared in accordance with generally accepted accounting principles.
- D.10. Monitoring. The Contractor's activities conducted and records maintained pursuant to this Contract shall be subject to monitoring and evaluation by the State, the Comptroller of the Treasury, or their duly appointed representatives.
- D.11. Progress Reports. The Contractor shall submit brief, periodic, progress reports to the State as requested.
- D.12. Strict Performance. Failure by any party to this Contract to insist in any one or more cases upon the strict performance of any of the terms, covenants, conditions, or provisions of this Contract shall not be construed as a waiver or relinquishment of any such term, covenant, condition, or provision. No term or condition of this Contract shall be held to be waived, modified, or deleted except by a written amendment signed by the parties hereto.
- D.13. Independent Contractor. The parties hereto, in the performance of this Contract, shall not act as employees, partners, joint venturers, or associates of one another. It is expressly acknowledged by the parties hereto that such parties are independent contracting entities and that nothing in this Contract shall be construed to create an employer/employee relationship or to allow either to exercise control or direction over the manner or method by which the other transacts its business affairs or provides its usual services. The employees or agents of one party shall not be deemed or construed to be the employees or agents of the other party for any purpose whatsoever.
- The Contractor, being an independent contractor and not an employee of the State, agrees to carry adequate public liability and other appropriate forms of insurance, including adequate public liability and other appropriate forms of insurance on the Contractor's employees, and to pay all applicable taxes incident to this Contract.
- D.14. State Liability. The State shall have no liability except as specifically provided in this Contract.
- D.15. Force Majeure. The obligations of the parties to this Contract are subject to prevention by causes beyond the parties' control that could not be avoided by the exercise of due care including, but not limited to, acts of God, riots, wars, strikes, epidemics or any other similar cause.

- D.16. State and Federal Compliance. The Contractor shall comply with all applicable State and Federal laws and regulations in the performance of this Contract.
- D.17. Governing Law. This Contract shall be governed by and construed in accordance with the laws of the State of Tennessee. The Contractor agrees that it will be subject to the exclusive jurisdiction of the courts of the State of Tennessee in actions that may arise under this Contract. The Contractor acknowledges and agrees that any rights or claims against the State of Tennessee or its employees hereunder, and any remedies arising therefrom, shall be subject to and limited to those rights and remedies, if any, available under *Tennessee Code Annotated*, Sections 9-8-101 through 9-8-407.
- D.18. Completeness. This Contract is complete and contains the entire understanding between the parties relating to the subject matter contained herein, including all the terms and conditions of the parties' agreement. This Contract supersedes any and all prior understandings, representations, negotiations, and agreements between the parties relating hereto, whether written or oral.
- D.19. Severability. If any terms and conditions of this Contract are held to be invalid or unenforceable as a matter of law, the other terms and conditions hereof shall not be affected thereby and shall remain in full force and effect. To this end, the terms and conditions of this Contract are declared severable.
- D.20. Headings. Section headings of this Contract are for reference purposes only and shall not be construed as part of this Contract.

E. SPECIAL TERMS AND CONDITIONS:

- E.1. Conflicting Terms and Conditions. Should any of these special terms and conditions conflict with any other terms and conditions of this Contract, these special terms and conditions shall control.
- E.2. Communications and Contacts. All instructions, notices, consents, demands, or other communications required or contemplated by this Contract shall be in writing and shall be made by facsimile transmission, by overnight courier service, or by first class mail, postage prepaid, addressed to the respective party at the appropriate facsimile number or address as set forth below or to such other party, facsimile number, or address as may be hereafter specified by written notice.

The State:

Paul Battenfield
Department of Safety
1150 Foster Avenue
Nashville, TN 37249
paul.battenfield@state.tn.us
Telephone # 615-251-5322
FAX # 615-253-5983

The Contractor:

David B. Kaelin, President/CEO
Intelligent Document Management Solutions, Inc.
1309 US 127 South, Suite B
Frankfort, KY 40601-4385
davek@idms.cc
Telephone # (502) 261-9895
FAX # (877) 689-3869

All instructions, notices, consents, demands, or other communications shall be considered effectively given as of the day of delivery; as of the date specified for overnight courier service delivery; as of three (3) business days after the date of mailing; or on the day the facsimile

transmission is received mechanically by the telefax machine at the receiving location and receipt is verbally confirmed by the sender if prior to 4:30 p.m. CST. Any communication by facsimile transmission shall also be sent by United States mail on the same date of the facsimile transmission.

E.3. Subject to Funds Availability. The Contract is subject to the appropriation and availability of State and/or Federal funds. In the event that the funds are not appropriated or are otherwise unavailable, the State reserves the right to terminate the Contract upon written notice to the Contractor. Said termination shall not be deemed a breach of Contract by the State. Upon receipt of the written notice, the Contractor shall cease all work associated with the Contract. Should such an event occur, the Contractor shall be entitled to compensation for all satisfactory and authorized services completed as of the termination date. Upon such termination, the Contractor shall have no right to recover from the State any actual, general, special, incidental, consequential, or any other damages whatsoever of any description or amount.

E.4. Breach. A party shall be deemed to have breached the Contract if any of the following occurs:

- failure to perform in accordance with any term or provision of the Contract;
- partial performance of any term or provision of the Contract;
- any act prohibited or restricted by the Contract, or
- violation of any warranty.

For purposes of this Contract, these items shall hereinafter be referred to as a "Breach."

a. Contractor Breach— The State shall notify Contractor in writing of a Breach.

- (1) In event of a Breach by Contractor, the state shall have available the remedy of Actual Damages and any other remedy available at law or equity.
- (2) Partial Default— In the event of a Breach, the State may declare a Partial Default. In which case, the State shall provide the Contractor written notice of: (1) the date which Contractor shall terminate providing the service associated with the Breach; and (2) the date the State will begin to provide the service associated with the Breach. Notwithstanding the foregoing, the State may revise the time periods contained in the notice written to the Contractor.

In the event the State declares a Partial Default, the State may withhold, together with any other damages associated with the Breach, from the amounts due the Contractor the greater of: (1) amounts which would be paid the Contractor to provide the defaulted service; or (2) the cost to the State of providing the defaulted service, whether said service is provided by the State or a third party. To determine the amount the Contractor is being paid for any particular service, the Department shall be entitled to receive within five (5) days any requested material from Contractor. The State shall make the final and binding determination of said amount.

The State may assess Liquidated Damages against the Contractor for any failure to perform which ultimately results in a Partial Default with said Liquidated Damages to cease when said Partial Default is effective. Upon Partial Default, the Contractor shall have no right to recover from the State any actual, general, special, incidental, consequential, or any other damages whatsoever of any description or amount. Contractor agrees to cooperate fully with the State in the event a Partial Default is taken.

- (3) Contract Termination— In the event of a Breach, the State may terminate the Contract immediately or in stages. The Contractor shall be notified of the termination in writing by the State. Said notice shall hereinafter be referred to as Termination Notice. The Termination Notice may specify either that the

termination is to be effective immediately, on a date certain in the future, or that the Contractor shall cease operations under this Contract in stages. In the event of a termination, the State may withhold any amounts which may be due Contractor without waiver of any other remedy or damages available to the State at law or at equity. The Contractor shall be liable to the State for any and all damages incurred by the State and any and all expenses incurred by the State which exceed the amount the State would have paid Contractor under this Contract. Contractor agrees to cooperate with the State in the event of a Contract Termination or Partial Takeover.

- b. **State Breach**— In the event of a Breach of Contract by the State, the Contractor shall notify the State in writing within 30 days of any Breach of Contract by the State. Said notice shall contain a description of the Breach. Failure by the Contractor to provide said written notice shall operate as an absolute waiver by the Contractor of the State's Breach. In no event shall any Breach on the part of the State excuse the Contractor from full performance under this Contract. In the event of Breach by the State, the Contractor may avail itself of any remedy at law in the forum with appropriate jurisdiction; provided, however, failure by the Contractor to give the State written notice and opportunity to cure as described herein operates as a waiver of the State's Breach. Failure by the Contractor to file a claim before the appropriate forum in Tennessee with jurisdiction to hear such claim within one (1) year of the written notice of Breach shall operate as a waiver of said claim in its entirety. It is agreed by the parties this provision establishes a contractual period of limitations for any claim brought by the Contractor.
- E.5. **Annual Report and Audit.** The Contractor shall prepare and submit, within nine (9) months after the close of the reporting period, an annual report of its activities funded under this Contract to the commissioner or head of the contracting agency, the Tennessee Comptroller of the Treasury, and the Commissioner of Finance and Administration. The annual report for any Contractor that receives five hundred thousand dollars (\$500,000) or more in aggregate federal and state funding for all its programs shall include audited financial statements. All books of account and financial records shall be subject to annual audit by the Tennessee Comptroller of the Treasury or the Comptroller's duly appointed representative. When an audit is required, the Contractor may, with the prior approval of the Comptroller, engage a licensed independent public accountant to perform the audit. The audit contract between the Contractor and the licensed independent public accountant shall be on a contract form prescribed by the Tennessee Comptroller of the Treasury. Any such audit shall be performed in accordance with generally accepted government auditing standards, the provisions of OMB Circular A-133, if applicable, and the *Audit Manual for Governmental Units and Recipients of Grant Funds* published by the Tennessee Comptroller of the Treasury. The Contractor shall be responsible for reimbursement of the cost of the audit prepared by the Tennessee Comptroller of the Treasury, and payment of fees for the audit prepared by the licensed independent public accountant. Payment of the audit fees of the licensed independent public accountant by the Contractor shall be subject to the provisions relating to such fees contained in the prescribed contract form noted above. Copies of such audits shall be provided to the designated cognizant state agency, the State Contracting Department, the Tennessee Comptroller of the Treasury, and the Department of Finance and Administration and shall be made available to the public.
- E.6. **State Ownership of Work Products.** The State and Contractor shall have joint ownership right, title, and interest, including ownership of copyright, in all work products created, designed, developed, derived, documented, installed, or delivered to the State under this Contract. The State shall have royalty-free and unlimited rights to use, disclose, reproduce, or publish, for any purpose whatsoever, all said work products. The Contractor shall furnish such information and data upon request of the State, in accordance with the Contract and applicable State law. The Contractor shall be able to use the custom source code developed in the delivery of solution for future and/or existing projects and clients.
- E.7. **Printing Authorization.** The Contractor agrees that no publication coming within the jurisdiction of *Tennessee Code Annotated*, Section 12-7-101, *et. seq.*, shall be printed unless a printing

authorization number has been obtained and affixed as required by *Tennessee Code Annotated*, Section 12-7-103 (d).

- E.8. Competitive Procurements. This Contract provides for reimbursement of the cost of goods, materials, supplies, equipment, or services. Such procurements shall be made on a competitive basis, where practical.
- E.9. State Interest in Equipment—Uniform Commercial Code Security Agreement. The Contractor shall take legal title to all equipment and to all motor vehicles, hereinafter referred to as "equipment," purchased totally or in part with funds provided under this Contract, subject to the State's equitable interest therein, to the extent of its *pro rata* share, based upon the State's contribution to the purchase price. "Equipment" shall be defined as an article of nonexpendable, tangible, personal property having a useful life of more than one year and an acquisition cost which equals or exceeds \$5,000.00.

As authorized by the provisions of the terms of the Tennessee Uniform Commercial Code—Secured Transaction, found at Title 47, Chapter 9 of the *Tennessee Code Annotated*, and the provisions of the Tennessee Motor Vehicle Title and Registration Law, found at Title 55, Chapter 1 of the *Tennessee Code Annotated*, an intent of this Contract document and the parties hereto is to create and acknowledge a security interest in favor of the State in the equipment or motor vehicles acquired by the Contractor pursuant to the provisions of this Contract document. A further intent of this Contract document is to acknowledge and continue the security interest in favor of the State in the equipment or motor vehicles acquired by the Contractor pursuant to the provisions of this program's prior year Contracts between the State and the Contractor.

The Contractor hereto grants the State a security interest in said equipment. This agreement is intended to be a security agreement pursuant to the Uniform Commercial Code for any of the equipment herein specified which, under applicable law, may be subject to a security interest pursuant to the Uniform Commercial Code, and the Contractor hereby grants the State a security interest in said equipment. The Contractor agrees that the State may file this Contract or a reproduction thereof, in any appropriate office, as a financing statement for any of the equipment herein specified. Any reproduction of this or any other security agreement or financing statement shall be sufficient as a financing statement. In addition, the Contractor agrees to execute and deliver to the State, upon the State's request, any financing statements, as well as extensions, renewals, and amendments thereof, and reproduction of this Contract in such form as the State may require to perfect a security interest with respect to said equipment. The Contractor shall pay all costs of filing such financing statements and any extensions, renewals, amendments and releases thereof, and shall pay all reasonable costs and expenses of any record searches for financing statements the State may reasonably require. Without the prior written consent of the State, the Contractor shall not create or suffer to be created pursuant to the Uniform Commercial Code any other security interest in said equipment, including replacements and additions thereto. Upon the Contractor's breach of any covenant or agreement contained in this Contract, including the covenants to pay when due all sums secured by this Contract, the State shall have the remedies of a secured party under the Uniform Commercial Code and, at the State's option, may also invoke the remedies herein provided.

The Contractor agrees to be responsible for the accountability, maintenance, management, and inventory of all property purchased totally or in part with funds provided under this Contract. The Contractor shall maintain a perpetual inventory system for all equipment purchased with funds provided under this Contract and shall submit an inventory control report which must include, at a minimum, the following:

- a. Description of the equipment;
- b. Manufacturer's serial number or other identification number, when applicable;
- c. Consecutive inventory equipment tag identification;
- d. Acquisition date, cost, and check number;
- e. Percentage of state funds applied to the purchase;
- f. Location within the Contractor's operations where the equipment is used;

- g. Condition of the property or disposition date if Contractor no longer has possession;
- h. Depreciation method, if applicable; and
- i. Monthly depreciation amount, if applicable.

The Contractor shall tag equipment with an identification number which is cross referenced to the equipment item on the inventory control report. The Contractor shall inventory equipment annually. The Contractor must compare the results of the inventory with the inventory control report and investigate any differences. The Contractor must then adjust the inventory control report to reflect the results of the physical inventory and subsequent investigation.

The Contractor shall notify the State, in writing, of any equipment loss describing reason(s) for the loss. Should the equipment be destroyed, lost, or stolen, the Contractor shall be responsible to the State for the *pro rata* amount of the residual value at the time of loss based upon the State's original contribution to the purchase price.

The Contractor shall submit its inventory control report of all equipment purchased with the final invoice submitted under this Contract. This inventory control report shall contain, at a minimum, the requirements specified above for inventory control.

Upon termination of the Contract, where a further contractual relationship is not entered into, or at another time during the term of the Contract, the Contractor shall request written approval from the State for any proposed disposition of equipment purchased pursuant to this Contract. All equipment shall be disposed of in such a manner as parties may agree from among alternatives approved by Tennessee Department of General Services and in accordance with any applicable federal laws or regulations.

- E.10. State Furnished Property. The Contractor shall be responsible for the correct use, maintenance, and protection of all articles of nonexpendable, tangible, personal property furnished by the State for the Contractor's temporary use under this Contract. Upon termination of this Contract, all property furnished shall be returned to the State in good order and condition as when received, reasonable use and wear thereof excepted. Should the property be destroyed, lost, or stolen, the Contractor shall be responsible to the State for the residual value of the property at the time of loss.

- E.11. Incorporation of Additional Documents. Included in this Contract by reference are the following documents:

- a. The Contract document and its attachments
- b. All Clarifications and addenda made to the Contractor's Proposal
- c. The Request for Proposal and its associated amendments
- d. Technical Specifications provided to the Contractor
- e. The Contractor's Proposal

In the event of a discrepancy or ambiguity regarding the Contractor's duties, responsibilities, and performance under this Contract, these documents shall govern in order of precedence detailed above.

- E.12. Workpapers Subject to Review. The Contractor shall make all audit, accounting, or financial analysis workpapers, notes, and other documentation available for review by the Comptroller of the Treasury or his representatives, upon request, during normal working hours either while the analysis is in progress or subsequent to the completion of this Contract.

- E.13. Lobbying. The Contractor certifies, to the best of its knowledge and belief, that:

No federally appropriated funds have been paid or will be paid, by or on behalf of the Contractor, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress in connection with the awarding of any federal contract, the making of any federal grant, the making of any federal loan, and entering into any cooperative agreement, and

the extension, continuation, renewal, amendment, or modification of any federal contract, grant, loan, or cooperative agreement.

If any funds other than federally appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this contract, grant, loan, or cooperative agreement, the Contractor shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.

The Contractor shall require that the language of this certification be included in the award documents for all sub-awards at all tiers (including sub-grants, subcontracts, and contracts under grants, loans, and cooperative agreements) and that all sub-recipients of federally appropriated funds shall certify and disclose accordingly.

- E.14. Public Funding Notice. All notices, informational pamphlets, press releases, research reports, signs, and similar public notices prepared and released by the Contractor relative to this Contract shall include the statement, "This project is funded under an agreement with the State of Tennessee." Any such notices by the Contractor shall be approved by the State.
- E.15. Prohibited Advertising. The Contractor shall not refer to this Contract or the Contractor's relationship with the State hereunder in commercial advertising in such a manner as to state or imply that the Contractor or the Contractor's services are endorsed.
- E.16. Confidentiality of Records. Strict standards of confidentiality of records shall be maintained in accordance with the law. All material and information, regardless of form, medium or method of communication, provided to the Contractor by the State or acquired by the Contractor on behalf of the State shall be regarded as confidential information in accordance with the provisions of State law and ethical standards and shall not be disclosed, and all necessary steps shall be taken by the Contractor to safeguard the confidentiality of such material or information in conformance with State law and ethical standards.

The Contractor will be deemed to have satisfied its obligations under this section by exercising the same level of care to preserve the confidentiality of the State's information as the Contractor exercises to protect its own confidential information so long as such standard of care does not violate the applicable provisions of the first paragraph of this section.

The Contractor's obligations under this section do not apply to information in the public domain; entering the public domain but not from a breach by the Contractor of this Contract; previously possessed by the Contractor without written obligations to the State to protect it; acquired by the Contractor without written restrictions against disclosure from a third party which, to the Contractor's knowledge, is free to disclose the information; independently developed by the Contractor without the use of the State's information; or, disclosed by the State to others without restrictions against disclosure.

It is expressly understood and agreed the obligations set forth in this section shall survive the termination of this Contract.

- E.17. Copyrights and Patents. The Contractor agrees to indemnify and hold harmless the State of Tennessee as well as its officers, agents, and employees from and against any and all claims or suits which may be brought against the State for infringement of any laws regarding patents or copyrights which may arise from the Contractor's performance of this Contract. In any such action brought against the State, the Contractor shall satisfy and indemnify the State for the amount of any final judgment for infringement. The Contractor further agrees it shall be liable for the reasonable fees of attorneys for the State in the event such service is necessitated to enforce the terms of this Contract or otherwise enforce the obligations of the Contractor to the State. The State shall give the Contractor written notice of any such claim or suit and full right and opportunity to conduct the Contractor's own defense thereof.

- E.18. Public Accountability. If the Contractor is subject to *Tennessee Code Annotated*, Title 8, Chapter 4, Part 4 or if this Contract involves the provision of services to citizens by the Contractor on behalf of the State, the Contractor agrees to establish a system through which recipients of services may present grievances about the operation of the service program, and the Contractor shall display in a prominent place, located near the passageway through which the public enters in order to receive services pursuant to this Contract, a sign at least twelve inches (12") in height and eighteen inches (18") in width stating:

NOTICE: THIS AGENCY IS A RECIPIENT OF TAXPAYER FUNDING. IF YOU OBSERVE AN AGENCY DIRECTOR OR EMPLOYEE ENGAGING IN ANY ACTIVITY WHICH YOU CONSIDER TO BE ILLEGAL, IMPROPER, OR WASTEFUL, PLEASE CALL THE STATE COMPTROLLER'S TOLL-FREE HOTLINE: 1-800-232-5454

- E.19. Environmental Tobacco Smoke. Pursuant to the provisions of the federal "Pro-Children Act of 1994" and the Tennessee "Children's Act for Clean Indoor Air of 1995," the Contractor shall prohibit smoking of tobacco products within any indoor premises in which services are provided pursuant to this Contract to individuals under the age of eighteen (18) years. The Contractor shall post "no smoking" signs in appropriate, permanent sites within such premises. This prohibition shall be applicable during all hours, not just the hours in which children are present. Violators of the prohibition may be subject to civil penalties and fines. This prohibition shall apply to and be made part of any subcontract related to this Contract.

- E.20. Hold Harmless. The Contractor agrees to indemnify and hold harmless the State of Tennessee as well as its officers, agents, and employees from and against any and all claims, liabilities, losses, and causes of action which may arise, accrue, or result to any person, firm, corporation, or other entity which may be injured or damaged as a result of acts, omissions, or negligence on the part of the Contractor, its employees, or any person acting for or on its or their behalf relating to this Contract. The Contractor further agrees it shall be liable for the reasonable cost of attorneys for the State in the event such service is necessitated to enforce the terms of this Contract or otherwise enforce the obligations of the Contractor to the State.

In the event of any such suit or claim, the Contractor shall give the State immediate notice thereof and shall provide all assistance required by the State in the State's defense. The State shall give the Contractor written notice of any such claim or suit, and the Contractor shall have full right and obligation to conduct the Contractor's own defense thereof. Nothing contained herein shall be deemed to accord to the Contractor, through its attorney(s), the right to represent the State of Tennessee in any legal matter, such rights being governed by *Tennessee Code Annotated*, Section 8-6-106.

- E.21. Tennessee Consolidated Retirement System. The Contractor acknowledges and understands that, subject to statutory exceptions contained in *Tennessee Code Annotated*, Section 8-36-801, *et. seq.*, the law governing the Tennessee Consolidated Retirement System (TCRS), provides that if a retired member of TCRS, or of any superseded system administered by TCRS, or of any local retirement fund established pursuant to *Tennessee Code Annotated*, Title 8, Chapter 35, Part 3 accepts state employment, the member's retirement allowance is suspended during the period of the employment. Accordingly and notwithstanding any provision of this Contract to the contrary, the Contractor agrees that if it is later determined that the true nature of the working relationship between the Contractor and the State under this Contract is that of "employee/employer" and not that of an independent contractor, the Contractor may be required to repay to TCRS the amount of retirement benefits the Contractor received from TCRS during the period of this Contract.
- E.22. Debarment and Suspension. The Contractor certifies, to the best of its knowledge and belief, that it and its principals:

- a. are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any Federal or State department or agency;

- b. have not within a three (3) year period preceding this Contract been convicted of, or had a civil judgment rendered against them from commission of fraud, or a criminal offence in connection with obtaining attempting to obtain, or performing a public (Federal, State, or Local) transaction or grant under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification, or destruction of records, making false statements, or receiving stolen property;
- c. are not presently indicted for or otherwise criminally or civilly charged by a government entity (Federal, State, or Local) with commission of any of the offenses detailed in section b. of this certification; and
- d. have not within a three (3) year period preceding this Contract had one or more public transactions (Federal, State, or Local) terminated for cause or default.

E.23. HIPAA Compliance. The State and Contractor shall comply with obligations under the Health Insurance Portability and Accountability Act of 1996 (HIPAA) and its accompanying regulations.

- a. Contractor warrants to the State that it is familiar with the requirements of HIPAA and its accompanying regulations, and will comply with all applicable HIPAA requirements in the course of this Contract.
- b. Contractor warrants that it will cooperate with the State, including cooperation and coordination with State privacy officials and other compliance officers required by HIPAA and its regulations, in the course of performance of the Contract so that both parties will be in compliance with HIPAA.
- c. The State and the Contractor will sign documents, including but not limited to business associate agreements, as required by HIPAA and that are reasonably necessary to keep the State and Contractor in compliance with HIPAA. This provision shall not apply if information received by the State under this Contract is NOT "protected health information" as defined by HIPAA, or if HIPAA permits the State to receive such information without entering into a business associate agreement or signing another such document.

IN WITNESS WHEREOF:

INTELLIGENT DOCUMENT MANAGEMENT SOLUTIONS, INC.:

CONTRACTOR SIGNATURE

DATE

DAVID B. Kaelin, President/CEO

PRINTED NAME AND TITLE OF AUTHORIZED CONTRACTOR SIGNATORY (above)

STATE AGENCY NAME: DEPARTMENT OF SAFETY

DAVE MITCHELL, COMMISSIONER

DATE

APPROVED:

DEPARTMENT OF FINANCE AND ADMINISTRATION:

M. D. GOETZ, JR., COMMISSIONER

DATE

DEPARTMENT OF PERSONNEL:

DEBORAH E. STORY, COMMISSIONER

DATE

COMPTROLLER OF THE TREASURY:

JOHN G. MORGAN, COMPTROLLER OF THE TREASURY

DATE

ATTESTATION RE PERSONNEL USED IN CONTRACT PERFORMANCE

SUBJECT CONTRACT NUMBER:	
CONTRACTOR LEGAL ENTITY NAME:	
FEDERAL EMPLOYER IDENTIFICATION NUMBER: (or Social Security Number)	

The Contractor, identified above, does hereby attest, certify, warrant, and assure that the Contractor shall not knowingly utilize the services of an illegal immigrant in the performance of this Contract and shall not knowingly utilize the services of any subcontractor who will utilize the services of an illegal immigrant in the performance of this Contract.

**SIGNATURE &
DATE:**

NOTICE: This attestation MUST be signed by an individual empowered to contractually bind the Contractor. If said individual is not the chief executive or president, this document shall attach evidence showing the individual's authority to contractually bind the Contractor.